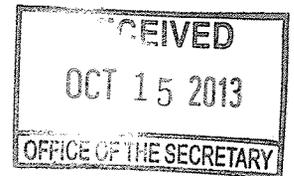


UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING  
File No. 3-15495

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In the Matter of  
  
G-2 TRADING LLC,  
  
Respondent.

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Assigned to:  
**Hon. Brenda P. Murray**

ANSWER

Respondent G-2 Trading, LLC (“G-2 Trading”), by its attorneys Lehman & Eilen LLP, as and for its Answer to the Corrected Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 and Notice of Hearing (the “Corrected Order”), hereby alleges as follows:

**ANSWERING SECTION II OF THE CORRECTED ORDER**

1. Denies having knowledge or information sufficient to form a belief as to the truth of the allegations contained in the first sentence of Paragraph “1” of Section II of the Corrected Order, except denies that G-2 Trading willfully violated Rule 105 of Regulation M (“Rule 105”) of the Securities Exchange Act of 1934, as amended. Denies the Division of Enforcement’s allegation as to the definition of Rule 105 contained in the second sentence of Section II of the Corrected Order, and respectfully refers the Court to Rule 105 for its true and complete terms.
2. Admits the allegations contained in the first sentence of paragraph “2” of Section II of the Corrected Order. Denies the allegations contained in the second sentence of paragraph “2” of Section II of the Corrected Order.
3. Admits the allegations contained in paragraph “3” of Section II of the Corrected Order.

4. Denies the allegations contained in paragraph “4” of Section II of the Corrected Order, and respectfully refers the Court to the relevant federal regulation (17 C.F.R. § 242.105); and the Securities and Exchange Commission’s (the “Commission”) adopting release amending Rule 105, Release No. 34-56206, 72 Fed. Reg. 45094 (Aug. 10, 2007) (the “Rule 105 Adopting Amendment Release”) specifically referenced therein for their true and complete terms.

5. Denies the allegations contained in paragraph “5” of Section II of the Corrected Order, and respectfully refers the Court to the Rule 105 Adopting Amendment Release for its true and complete terms.

6. Admits the allegations contained in the first sentence of paragraph “6” of Section II of the Corrected Order. Denies having knowledge or information sufficient to form a belief as to the truth of the allegations contained in the second sentence of paragraph “6” of Section II of the Corrected Order. Denies the allegations contained in the third, fourth and fifth sentences of paragraph 6” of Section II of the Corrected Order.

7. Admits the allegations contained in the first sentence of paragraph “7” of Section II of the Corrected Order. Denies having knowledge or information sufficient to form a belief as to the truth of the allegations contained in the second sentence of paragraph “7” of Section II of the Corrected Order. Admits the allegations contained in the third and fourth sentences of paragraph “7” of Section II of the Corrected Order. Denies the allegations contained in the fifth, sixth and seventh sentences of paragraph “7” of Section II of the Corrected Order.

8. Admits the allegations contained in the first sentence of paragraph “8” of Section II of the Corrected Order. Denies having knowledge or information sufficient to form a belief as to the truth of the allegations contained in the second sentence of paragraph “8” of Section II of the Corrected Order. Admits the allegations contained in the third sentence of paragraph “8” of

Section II of the Corrected Order. Denies the allegations contained in the fourth and fifth sentences of paragraph “8” of Section II of the Corrected Order.

9. Denies the allegations contained in paragraph “9” of Section II of the Corrected Order.

10. Denies the allegations contained in paragraph “10” of Section II of the Corrected Order.

**ANSWERING SECTION III OF THE CORRECTED ORDER**

11. Denies that it was necessary and appropriate in the public interest for the Commission to institute cease-and-desist proceedings against G-2 Trading, as alleged in Section III of the Corrected Order, and concurs with the Commission that G-2 Trading should be afforded the opportunity to establish any and all defenses to the allegations contained in the Corrected Order.

**AFFIRMATIVE DEFENSES**

**First Affirmative Defense**

12. The Corrected Order fails to state a claim upon which relief can be granted.

**Second Affirmative Defense**

13. The relief sought by the Division of Enforcement in this proceeding against G-2 Trading is excessive, disproportionate with respect to the purported violations of Rule 105 at issue, if any, and is unduly punitive.

**WHEREFORE**, Respondent G-2 Trading, LLC respectfully demands judgment:

- (a) dismissing the Corrected Order in its entirety;
- (b) awarding G-2 Trading its reasonable attorneys' fees, costs and disbursements incurred in defending this proceeding; and
- (c) granting such other and further relief as the Court deems just and proper.

Dated: Uniondale, New York  
October 11, 2013

**LEHMAN & EILEN LLP**

By:  \_\_\_\_\_

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